

for issuing a notice may be apparent omissions or misrepresentations in the documents submitted to the Director, the conduct of the developer or agent, such as unlawful conduct or insolvency, or adverse information about the real estate that should be disclosed to purchasers. Proceedings will be governed by § 1012.238.

**§ 1010.16 Regulatory exemption—termination required.**

(a) *General.* The Director may exempt from the registration requirements of the Act any subdivision or lots in a subdivision by issuing an order in writing if it is determined that registration is not necessary in the public interest and for the protection of purchasers on the basis of the small amount or limited character of the offering and the requirements contained in paragraph (b) of this section.

(b) *Eligibility requirements.* An exemption order may be issued at the discretion of the Director on the basis of the small amount or limited character of the offering if the following requirements are met:

(1) The subdivision or sales substantially meet the requirements of one of the exemptions available under this chapter.

(2) Each contract:

(i) Specifies the developer's and purchaser's responsibilities for providing and maintaining roads, water and sewer facilities and any existing or promised amenities;

(ii) Contains a good faith estimate of the year in which the roads, water and sewer facilities and promised amenities will be completed;

(iii) Contains a non-waivable provision giving the purchaser the opportunity to revoke the contract until at least midnight of the seventh calendar day following the date the purchaser signed the contract. If the purchaser is entitled to a longer revocation period by operation of state law, that period becomes the Federal revocation period and the contract must reflect the requirements of the longer period.

(iv) Contains a provision that obligates the developer to deliver to the purchaser within 180 days of the date the purchaser signed the sales contract, a warranty deed, or its equivalent

under local law, which at the time of delivery is free from any monetary liens or encumbrances.

(3) The purchaser or purchaser's spouse makes a personal on-the-lot inspection of the lot to be purchased before signing a contract.

(4) The developer files a request for an exemption order and supporting documentation in accordance with paragraphs (c) and (d) of this section and submits a filing fee of \$500.00 in accordance with § 1010.35(a) of this part. This fee is not refundable.

(c) *Request.* The request for an Exemption Order must be substantially in the format set forth in section V of the appendix to this part: Request for Regulatory Exemption Order.

(d) *Supporting documentation.* A request for an exemption order must be accompanied by the following documentation:

(1) A plat of the entire subdivision with the lots subject to the exemption request delineated thereon.

(2) A copy of the contract to be used.

(3) A clear and specific statement detailing how the proposed sales of lots subject to the exemption request substantially complies with one of the available exemption provisions.

(4) A description of the method by which the lots have been and will be promoted and to which population centers the promotion has been and will be directed.

(e) The sale must also comply with the anti-fraud provisions of § 1010.4(b) and (c) of this part.

(f) *Termination.* If, subsequent to the issuance of an exemption order, the Director has reasonable grounds to believe that exemption from the registration requirements in the particular case is not in the public interest, the Director may, after issuing a notice and giving the respondent an opportunity to request a hearing within fifteen days of receipt of the notice, terminate the exemption order. The basis for issuing a notice may be apparent omissions or misrepresentations in the documents submitted to the Director, the conduct of the developer or agent, such as unlawful conduct or insolvency, or adverse information about the real estate that should be disclosed

## § 1010.17

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### § 1010.17 Advisory opinion.

(a) *General.* A developer may request an opinion from the Director as to whether an offering qualifies for an exemption or is subject to the jurisdiction of the Act.

(b) *Requirements.* All requests for Advisory Opinions must be accompanied by the following:

(1) A \$500.00 filing fee submitted in accordance with § 1010.35(a). This fee is not refundable.

(2) A comprehensive description of the conditions and operations of the offering. There is no prescribed format for submitting this information, but the developer should at least cite the applicable statutory or regulatory basis for the exemption or lack of jurisdiction and thoroughly explain how the offering either satisfies the requirements for exemption or falls outside the purview of the Act.

(3) An affirmation as set forth in section VI of the appendix to this part: Developer's Affirmation for Advisory Opinion.

### § 1010.18 No Action Letter.

(a) If the sale of lots is subject to the registration requirements of the Act but the circumstances of the sale are such that no affirmative action to enforce the registration requirements is needed to protect the public interest or prospective purchasers, the Director may issue a No Action Letter.

(b) To obtain a No Action Letter a developer must submit a request which includes a thorough description of the proposed transaction, the property involved, and the circumstances surrounding the sale.

(c) The issuance of a No Action Letter will not affect any right which a purchaser has under the Act, and it will not limit future action by the Director if there is evidence to show that affirmative action is necessary to protect the public interest or prospective purchasers. In no event will a No Action Letter be issued after the sale has occurred.

## 12 CFR Ch. X (1–1–14 Edition)

### § 1010.19 [Reserved]

### § 1010.20 Requirements for registering a subdivision—Statement of Record—filing and form.

(a) *Filing.* In order to register a subdivision and receive an effective date, the developer or owner of the subdivision must file a Statement of Record with the Director. The official address to be used is: CFPB Interstate Land Sales, c/o: Armedia LLC, 8221 Old Courthouse Road, Suite 206, Vienna, VA 22182. When the Statement of Record is filed, a fee in the amount set out in § 1010.35(b) must be paid in accordance with § 1010.35(a).

(b) *Form.* The Statement of Record shall be in the format specified in § 1010.100 and shall be completed in accordance with the instructions in §§ 1010.102, 1010.105 through 1010.118, 1010.200, 1010.208 through 1010.216 and 1010.219. It shall be supported by the documents required by §§ 1010.208 through 1010.216 and 1010.219. It shall include any other information or documents which the Director may require as being necessary or appropriate for the protection of purchasers.

(c) *State filings.* A Statement of Record submitted under the provisions of 12 CFR part 1010, subpart C—Certification of Substantially Equivalent State Law, shall consist of the materials designated by the Certification Agreement between the Director and the certified state in which the subdivision is located.

### § 1010.21 Effective dates.

(a) *General.* The effective date of an initial, consolidated or amended Statement of Record is the 30th day after the filing of the latest amendatory material unless the Director notifies the developer in writing prior to such 30th day that:

(1) The effective date has been suspended in accordance with § 1010.45(a), or

(2) An earlier effective date has been determined.

(b) *Suspension of effective date by developer.* (1) A developer, or owner, may request that the effective date of its Statement of Record be suspended, provided there are no administrative proceedings pending against either of